intended to further favor seducers in those jurisdictions where they are already favored by adherence to an artificial form of action which often operates to prevent the enforcement of a morally just demand."

BANKRUPTCY—PAYMENT TO BANK OF PRE-EXISTING DEBT NOT A PREFERENCE.—The bankrupt had borrowed $2,000.00 from defendant bank, giving notes therefor; when the notes were due a loan was effected elsewhere for $3,000.00 which amount was deposited in the defendant bank to the credit of the bankrupt. A check to the order of the defendant bank for the amount of the debt, with interest, was then drawn against this deposit. Bankruptcy ensuing within four months, the trustee sues to recover the amount so paid, on the ground that the payment operated as a preference. *Held* that such payment did not amount to a preference and the bank was permitted to retain the money.—*Walsh* v. *First Nat. Bank of Maysville* (6th C. C. A. 1913), 29 Am. B. R. 118.

In the absence of collusion and fraud a bank of deposit has always been permitted to set-off debts owing it and due from a bankrupt against any deposits it may have of the bankrupt. In *N. Y. County Bank* v. *Massey,* 192 U. S. 138, such a right was declared to exist, the court saying relative to the nature of a bank deposit, "It is not a transfer of property as a payment, mortgage, gift or security. It is true it creates a debt,—but it does not enlarge the scope of the statute defining preferences so as to prevent set-off recognized within the terms of § 68a." In that case the debts of the bankrupt were due and the entire deposit was set off against the claim of the creditor. The same situation existed in *Irish* v. *Citizens Trust Co.,* 163 Fed. 880, in which deposits were allowed to be set off against matured claims of a creditor bank but not allowed in case of claims unmatured. In *Lowell* v. *International Trust Co.,* 158 Fed. 781, deposits were allowed to be set off against demand loans payable to the creditor bank. *In re Geo. M. Hill & Co.,* 130 Fed. 315, allowed set-off of so much of the claims of the creditor bank as equaled the amount of the bankrupt's deposit, but would not allow it against notes given by the bankrupt to third parties and negotiated to the bank. *In re Little,* 110 Fed. 621, which preceded *Bank* v. *Massey, supra,* announced the same rule as was later sustained in that case. The principal case does not announce any new doctrine but it does present in a slightly varying manner the circumstances under which may arise the always interesting question of a bank receiving what is in effect a preference, though declared by the courts not to be. In the principal case the set-off completely extinguished the claim of the creditor bank, leaving it nothing to prove in the bankruptcy proceedings, while the other reported cases involve situations in which the amount of the creditor's claim has exceeded the bankrupt's deposit. The principle is the same in each instance, however, and the decision not only follows the rule of the adjudicated cases but is in conformity with the law.

BILLS AND NOTES—DELIVERY—CONDITIONS.—Defendant delivered his non-negotiable promissory note to a corporation payee on condition that latter would obtain a hundred secured notes of like amount. The note and chat-